

Top 10 Car Buying Tips

Whether you buy a new car regularly or haven't shopped for one since the invention of the minivan, the process goes more smoothly when you know what to expect. Let's start with some good news: There's a ton of information available to the car buyer like you. Having the information up front makes for a less stressful purchase.

So here are 10 car buying tips to help you get the car that fits you best.

1. How Much Car Can You Afford?

A rule of thumb: If you're taking out a loan to pay for your car, your car payment shouldn't be more than 20 percent of your take-home pay. If you're sticking to a tight budget, you may want to spend even less. Used cars will need a little extra attention from time to time: new tires, maintenance and the like. And then there are the other ownership costs shoppers sometimes forget to account for, such as fuel and insurance.

If the car you're planning to buy is out of warranty, it might be a good idea to set aside a "just-in-case" fund to cover any unexpected repairs.

2. Build a Target List of Used Cars

It's no secret that the Honda Accord and Toyota Camry make for good used cars. But they might cost a few thousand more than a comparable Ford Fusion or Kia Optima. So, if you're looking to save money, consider more than one brand. We suggest making a list of three cars that meet your needs and fall within your budget. Consumer Reports is a great resource to guide your choices.

If you're planning to buy a vehicle that is less than 5 years old, consider one that's certified pre-owned (CPO). CPO vehicles have long-term warranties that are backed by the carmakers, not just the dealership selling it to you. Franchised dealerships that sell that same brand new are the only ones who can sell a CPO car of the same brand. So, if you wanted a CPO Chevy Cruze, for example, you'd need to buy it from a Chevy dealer.

3. Check Prices

Prices are driven in part by where you're shopping. You'll find used cars in used-car sections of new-car dealerships, independent used-car lots, used-car retailers such as CarMax and websites where private-party sellers list their cars. Of the four, private-party cars will usually have the lowest selling price. CPO cars will usually cost the most, but for the reasons we've noted. To see what other people are paying for the models you've picked out, Edmunds offers a quick way to see the average price paid for the car in your area.

4. Locate Used Cars for Sale in Your Area

One easy place to start building your target list is cars.com You will find exactly the car you want, you can filter your search by many factors including the miles on the car's odometer, its price and features, and dealer's distance from you. Use the websites for other used-car marketplaces mentioned to save time.

5. Check the Vehicle History Report

Unless you're buying the car from a close friend or family member who can vouch for its history, plan to get a vehicle history report. This is an essential early step. If the car you're looking at has a bad history report, the sooner you know the better.

AutoCheck and Carfax are the two best-known sources for vehicle history reports, which can reveal vital information about the car, including whether the odometer has been rolled back or if it has a salvage title, which means it has been declared a total loss by the insurance company. You'll use the car's vehicle identification number (VIN) to get this information, and in some cases, all you need is the license plate number.

6. Contact the Seller

Once you find a good prospective car, don't run out to see it just yet. Call the seller first. This is a good way to establish a relationship with the seller and verify the information about the car. You can ask private-party sellers why they're parting with a car, or whether it has any mechanical problems. And if you're buying from a dealership, a phone call (or text) is the best way to ensure the car is still in stock. Sometimes the seller will mention something that wasn't in the ad that might change your decision to buy the car. If things are going well, set up an appointment to test-drive the car. If possible, make it for daylight hours. That makes it easier to see the car's condition.

7. Test-Drive the Car

Test-driving a used car is the best way to know if this is the right car make and model for you. It's also a good way to assess this particular car's condition. So, tune out distractions and focus on the car.

Here are some things to check:

- Is it easy to get in and out of the car without stooping or banging your head?
- Is there enough headroom, hiproom and legroom? Remember to see how it feels in the backseat, too.
- Is the driving position comfortable? Do you sit too low, too high or just right in the car? Can you tilt or telescope the steering wheel for a better fit?
- Are the seats comfortable? Are they easily adjustable? Is there a lumbar support adjustment for the driver? How about the front-seat passenger?
- Do you see a lit "check engine" light? If so, get that problem checked out before buying.
- How is the visibility? Check the rearview mirror and the side mirrors. Look for potential blind spots.
- Use your nose. Do you smell gas, burning oil, or anything amiss?
- Check out the tires. How old are they? Is there enough tread left?
- How are the brakes? Are they doing the job of stopping the car? Do they squeak?

- Pop the hood. You don't have to know a lot about cars to see if something looks wrong. If something is leaking, steaming or covered in oil, it's time to ask questions.
- Does the air-conditioning blow cold? Do headlights, brake lights and turn indicators work? Test them to be sure.

After the test drive, ask the owner or dealer if you can see the service records. These will show you if the car has had the scheduled maintenance performed on time.

8. Have the Car Inspected

If you like the car, consider having a mechanic inspect it before you buy. If you don't have a mechanic, Google and Yelp are good places to read local shops' reviews. A pre-purchase inspection costs around \$100 and can alert you to problems you may not find yourself. It's a smart investment. A private-party seller will probably allow you to do this without much resistance. Most dealerships will let you borrow a car for an outside mechanic to inspect. You'll be paying for this, of course. If it is a CPO car, there's already been an inspection and the car has a warranty, so there is little reason to take it to an independent mechanic.

9. Negotiate a Good Deal

Does the idea of "talking numbers" fill you with dread? It shouldn't. Negotiating doesn't have to be a drawn-out, traumatic experience. If you are reasonable and have a plan, chances are you can make a deal pretty quickly and easily:

- Decide ahead of time how much you're willing to spend to get the car. But don't start with this number in your discussion.
- Make an opening offer that is lower than your maximum price, but in the ballpark based on your average price paid research in # 3. Explain that you've done research on Edmunds or wherever else, so you have facts to support your offer.
- If you and the seller arrive at a price that sounds good to you and is near the average price paid, you're probably in good shape.
- And remember, the people on the other side probably hate negotiating too (even if it's their job).

10. Get the Paperwork Done

If you are at a dealership, you'll sign the contract in the finance and insurance office. There, you will likely be offered additional items, such as a warranty, anti-theft devices, prepaid service plans or fabric protection.

Some people want the peace of mind that comes with extended warranties, so this is something you might want to consider (unless the car is still under the manufacturer's warranty or is a CPO vehicle). Review the dealership sales contract thoroughly. In Minnesota, it lists the cost of the vehicle, a documentation fee, sales tax and license fees.

If you are buying a car from an individual owner, make sure the seller properly transfers the title to



you. It's important to close the deal correctly to avoid after-sale hassles. Before money changes hands, ask for the title and have the seller sign it over to you. Look on the title to see if it says "No Secured Interested" or the name and address of the 1st Secured Party. That means there is or was a loan on it at the time of their purchase. If they loan is paid off, you need to get the liencard as well. If there still is a loan on, insist on calling the lender to get the payoff. Then insist on paying the lender directly and paying the seller the difference. Whether you buy from a dealer or a private party, make sure you have insurance for the car before you drive it away.

If you have questions on any of these tips or are ready to start the process, [click here](#) or call 651-484-0265 x1.